GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:243
ANSWERED ON:17.12.2004
BANK LOAN DEFAULTERS
Reddy Shri Suravaram Sudhakar;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of FINANCE be pleased to state:

(a) the number of defaulting companies identified by banks and financial institutions having outstanding amount of Rs.1 crore and above, bank-wise;

(b) whether RBI/Government has detected cases of gross violation of norms by banks when writing off bad loans;

(c) if so, the details thereof alongwith the action taken by the Government against bank employees involved in violation of norms;

(d) the number of defaulters blacklisted as on date;

(e) whether RBI has released report on Trend and Progress of Banking in India - 2003-2004;

(f) if so, the details thereof;

(g) whether there has been a sharp decline of NP A in Agriculture and small scale industries sectors as compared to other priority sectors;

(h) if so, the details thereof; and

(i) further steps taken by the Government for recovery of bad debts?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (i): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABRA STARRED QUESTION NO. 243 FOR 17TH DECEMBER 2004 REGARDING BANK LOAN DEFAULTERS TABLED BY SHRI TUKARAM GANPATRAO RENGE PATIL AND SHRI SURAVARAM SUDHAKAR REDDY.

(a) The number of suit filed accounts/amount (bank-wise/institution-wise) in which sum to be recovered is Rs. 1 crore and above as on 31.03.2004 is at Annexure.

(b) & (c) Loans are written off as a last resort by banks when all efforts to recover loans fail or as part of settlement with the borrowers. This technical write off of bad loans from the books of Head Offices helps banks in availing tax benefits. However, Loans continue to remain outstanding in the books of braches and are pursued for recovery. Writing off is done after due consideration at appropriate levels. This also includes the review of the role of officials in this activity. Action against the erring employees is taken as per the norms operative in the banks.

(d) The number of defaulters whose names are appearing in the list publisbed by Reserve Bank of mdia (RBI)/ Credit mformation Bureau (India) Limited (CIBIL) in respecf of non-payment of loans of Rs. 1 crore and above and wilful default of Rs. 25 lakhs and above as on 31st March, 2004 are as under:

Item	No. of Suit filed accounts
Default of Rs. 1 crore and above	10340
Wilful default of Rs. 25 lakhs and above	2647

(e) & (f) Yes, Sir. RBI has released a report on Trends and Progress of Banking in mdia - 2003-04 and it is available on RBI`s website i.e. www.rbi.org.in. This publication gives a comprehenSive review of the performance of commercial banks in India for the financial

year 2003-04.

(g) & (h) : The details of NP As of public sector banks in agriculture and small scale sectors as compared to other priority sectors are as under:

(Rs. in crores)

Sector	Gross NPAs	Percentage of Gross NPAs to gross NPAs	Gross NPAs	Percentage of NP As to gross NPAs
	31.03.2004		31.03.2003	
Priority Sector	23840	46.82	24938	47.23
Agriculture	7240	14.43	7707	14.60
SSI	8838	17.62	10162	19.24
Others	7762	15.4	7069	13.39

(i) Government of India and Reserve Bank of India have stipulated certain steps for recovery of loans which inter-alia include evolving and implementing a recovery policy by banks, filing of suits in civil courts/DRTs, compromise settlement and monitoring and follow up of NPAs at various levels. Credit Information Bureau has been set up to disseminate information on borrowers among the banks. Corporate Debt Restructuring (CDR) scheme has been put in place to provide a transparent mechanism for restructuring of corporate debts of viable entities facing problems due to internal and external factors.

Asset Reconstruction Company (India Ltd.) has been incorporated for the purpose of addressing Non-performing Assets. The recent amendment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security interest Act, 2002 has further strengthened the recovery process of the Banks.

ANNEXURE SUIT FILED ACCOUNTS RS.I CRORE AND ABOVE AS ON 31sT MARCH, 2004

SL.NO.	NATIONALISED BANKS	NUMBER OF CRORES RECORDS	RS.IN
1	CANARA BANK	478	4275.66
2	BANK OF BARODA	547	3856.14
3	CENTRAL BANK OF INDIA	618	3288.48
4	INDIAN BANK	559	3146.69
5	BANK OF BARODA	515	2486.31
6	PUNJAB NATIONAL BANK	346	2193.56
7	DENA BANK	280	2051.87
8	ALLAHABAD BANK	146	1285.06
9	INDIAN OVERSEAS BANK	163	1103.30
10	ORIENTAL BANK OF COMMERCE	240	1006.39
11	BANK OF MAHARASHTRA	185	938.36
12	VIJAYA BANK	123	638.98
13	UNITED BANK OF INDIA	116	476.80
14	ANDHRA BANK	99	423.62
15	UCO BANK	113	394.86
16,	PUNJAB & SIND BANK	166	383.55
17	SYNDICATE BANK	125	361.49
18	CORPORATION BANK	43	360.09
	TOTAL	4,862	28671.21
	SBI AND ITS ASSOCIATE BANKS		
1	STATE BANK OF INDIA	1194	6806.64
2	STATE BANK OF TRAVANCORE	169	106456
3	STATE BANK OF HYDERABAD	162	735.69
4	STATE BANK OF BIKANER & JAIPUR	99	580.14
5	STATE BANK OF MYSORE	77	520.09

6 STATE BANK OF SAURASHTRA 82 378.66
7 STATE BANK OF INDORE 63 341.04
8 STATE BANK OF PATIALA 105 7.29

TOTAL 1,951 10434.11

FINANCIAL INSTITUTIONS

1 IFCI LTD. 668 10778.03
2 INDUSTRIAL INVESTMENT BANK OF INDIA LTD. 232 1282.72
3 EXPORT IMPORT BANK OF INDIA 28 445.59
4 SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 76 296.07
5 LIFE INSURANCE CORPORATION OF INDIA 19 170.46
6 IDBI (As on Sept. 2003) 891 78.91

TOTAL 1,914 13051.78

FOREIGN BANKS

1 BANK OF TOKYO-MITSUBISHI LTD. 31 506.45
2 STANDARD CHARTERED BANK 33 257.43
3 HONG KONG AND SHANGHAI BANKING CORPORATION LTD. 29 207.48
4 ABN AMRO BANK N.V. 4 196.05
5 CREDIT AGRICOLE INDOSUEZ 14 88.97
6 DEUTSCHE BANK AG 8 81.07
7 STATE BANK OF MAURITIUS LTD. 7 72.25
8 SOCIETE GENERALE 5 40.66
9 ABU DHABI COMMERCIAL BANK 6 35.56
10 CITIBANK NA 5 31.85
11 BANK OF BAHRAIN AND KUWAIT B.S.C. 3 30.42
12 MASHREQ BANK 7 29.03
13 CREDIT LYONNAIS 2 10.41
14 MIZUHO CORPORATE BANK LTD. 1 6.58
15 BANK OF AMERICA 1 1.50

TOTAL 1595.71

PRIVATE SECTOR BANKS

1 ICICI BANKLIMITED 492 3277.65
2 INDUSIND BANK LTD. 117 1498.51
3 UNITED WESTERN BANK LTD. 92 623.61
4 FEDERAL BANK LTD. 61 360.48
5 KARNATAKA BANK LTD. 87 333.63
6 CENTURION BANK LTD. 53 294.58
7 BANK OF RAJASTHAN LTD. 81 279.52
8 SOUTH INDIAN BANK LTD. 54 251.45
9 SBI COMMERCIAL & INTERNATIONAL BANK LTD. 35 201.67
10 ING VYSYA BANK LTD. 18 197.42
11 TAMILNAD MERCANTILE BANK LTD. 48 167.02
12 HDFC BANK LTD. 23 162.27
13 BANK OF PUNJAB LTD. 19 142.43
14 CATHOLIC SYRIAN BANK LTD. 39 133.53
15 DHANALAKSHMI BANK LTD. 36 111.79
16 LAKSHMI VILAS BANK LTD. 32 108.82
17 KARUR VYSYA BANK 26 102.48
18 LORD KRISHNA BANK LTD. 32 96.23
19 DEVELOPMENT CREDIT BANK 36 96.22
20 CITY UNION BANK LTD. 32 89.03
21 UTI BANK LTD. 13 65.59
22 BHARAT OVERSEAS BANK LTD. 16 53.75
23 SANGLI BANK LTD. 13 24.29
24 KOTAK MAHINDRA BANK 1 1.43
25 NAINITAL BANK LTD. 1 1.22

TOTAL	1,457	8674.63	
GRAND TOTAL	10340	62427.44	